

**VERMONT RAIL COUNCIL
MINUTES OF SPECIAL MEETING
COMMUNITY ROOM
WILLISTON POLICE DEPARTMENT
WILLISTON, VERMONT
January 9, 2009**

MEMBERS PRESENT: Robert Ide for Scott Rogers (Chairman)

Byron Hathorn	Rick Moulton
Dave Wulfson	C.J. "Mike" Coates
Dave Allaire	Carl Fowler
Chris Andreasson	Charlie Moore
Eric Bohn	Charles Hunter
Chris Martel	Rep. Sonny Audette

OTHERS PRESENT: J. Jeffrey Munger, Senator Sanders Office
Ted Brady, Senator Leahy's Office
Paul Craven, Craven Mgmt.
John Wilson, Jacobs
Mary Anne Michaels, VRS
Chris Parker, VRAN
Matt Levin, VCE
Roger Thompson, FHWA
Tom Macaulay, Rutland Redevelopment Authority
Tom Donahue, Rutland Regional Chamber of Commerce
Allison Crowley DeMag, Morris DeMag
Pete Snyder, citizen

1. Call to Order & Approval of Minutes

In the absence of Scott Rogers, Robert Ide called the meeting to order at 10 a.m.
Introductions were made.

2. Letter from Scott Rogers

The following items/issues were mentioned in a letter from Scott Rogers which was read by Mr. Ide:

- Rail is of great importance to Vermonters.
- The Rail Council membership offers a valuable knowledge base that should be tapped for historical perspective as well as ideas for the future of rail. Not much of this potential is put to use.
- There is much frustration and disappointment on the part of the Council due to lack of suggestions and/or action for improvements relative to rail in Vermont.
- The wish list and demands of the Rail Council are not realistic in light of the financial challenges facing the Agency of Transportation.

- The charge of the Rail Council is to advise staff on rail issues/policies, but the Council appears to be micro-managing rail projects, not providing guidance on policy.
- It is time for a new direction. The Rail Council is urged to be problem solvers rather than problem finders.
- There will be personnel changes in the Rail Division (Dick Hosking is now working with the district garages, J.B. McCarthy is coming to the Rail Division, and Charlie Miller has targeted the end of 2009 for retirement).
- Downgrade in the FY09 transportation budget is \$17.3 million. All but \$5.4 million has been addressed. There is opposition to the suggestion to convert the Amtrak Ethan Allen Express service to bus service to save additional money.
- Downgrade of the FY10 budget is forecasted at \$4.1 million. The budget situation is expected to get worse requiring further “tightening of belts”.
- Federal economic stimulus package is anticipated. Staff is preparing to move projects forward.

Rob Ide reiterated it is a high priority to use the stimulus money for projects and improving infrastructure, but managers are under pressure to manage to the bottom line due to the downgrade in the budget. Rep. Audette stated within the next two weeks there will be public hearings with the House and Senate transportation committees. Amtrak service on the western side of the state will be discussed. People need to understand the matter.

3. Rail Projects and State Funds

The Rail Council received a spreadsheet listing rail projects and state/federal funding as well as anticipated shortfalls as of 12/31/08. State funds allotted for FY2009 total \$10.3 million. To date \$5.1 million has been expended leaving a balance of \$5.2 million to last until the end of the fiscal year. The rate of expenditure is more robust than in prior years, stated Mr. Ide. There will be a shortfall in state funds of \$1.55 million. The occurrence this year of the purchase of continuous welded rail was not included in the expenditures so this \$1 million expenditure must be offset somewhere in the budget. The new contract with Amtrak includes an estimate on fuel cost and ridership. Both of these numbers are working to the state’s advantage today (fuel cost is down and ridership is up). The new estimate of the shortfall for Amtrak is \$400,000 if ridership continues to grow at the current rate. If the rate accelerates then the shortfall will decrease. A change in fuel prices could also impact the numbers.

Chris Andreasson asked if there is any savings generated from the demise of Colorado Railcar and the DMU service that could be applied to the FY09 budget and used to maintain Amtrak service on the western corridor. Mr. Ide clarified FY10 money was adjusted. There was \$1 million taken out of the FY10 budget. If another company emerges from the failed Colorado Railcar company the state will enter into a contract provided the numbers work. Legislative authorization will be needed to do this since the company is different. Staff is prepared to adjust the budget if there are purchase and interest payments due in FY10. Carl Fowler commented Amtrak was to order some cars from Colorado Railcar as well. Mr. Fowler asked if there is a performance plan so the

grant money from Amtrak can still be utilized. There was not a mandate to use DMU cars so the grant money should still be pursued. Bus/train option should be investigated as should interim use of a Budd car for connection from Rutland to Burlington. There is a Budd car available in Bellows Falls, stated Mr. Fowler. Dave Wulfson interjected the equipment in Bellows Falls is not in good condition. An RDC or Budd car lease may be a more realistic approach. Another option may be running the existing Amtrak train into Burlington and having Vermont Rail Systems operate the train. Robert Ide will further investigate this suggestion with Amtrak.

Carl Fowler submitted talking points on performance enhancement activities to realize needed savings. Mr. Fowler stated research revealed with bus/rail service combination there is connection to the Ethan Allen Express and Vermonter southbound, but nothing northbound. The situation needs to be corrected. Also, the state is paying for the (unnecessary) second locomotive put on the train by Amtrak. Mr. Fowler urged not publicizing loss of Amtrak service due to the adverse impact on patronage. Additionally, it will be very expensive to reinstate the service. There was discussion of leasing RDC equipment in the area (North Conway in New Hampshire, Newport Island in Newport, or southern New Jersey). Mr. Fowler contended an RDC is a DMU and the grant money from Amtrak should apply to the equipment. Rob Ide noted Alaska Railroad is selling equipment. The spec sheets have been reviewed by staff. Mr. Ide assured his vision is to have Amtrak service to downtown Burlington. Rep. Audette stated supposedly there are rail possibilities in the new stimulus package and the state needs to be ready for this. Mr. Ide urged thinking about expansive areas, broader projects such as Rutland to Burlington being made ready for Amtrak service. A balance must be found between work on the state owned system and impact on private entities.

Rick Moulton suggested exploring the leveraging of state owned property into revenue, perhaps as bonded revenue. Paul Craven pointed out railroad companies providing matching funds needs to be considered. Robert Ide assured discussions are ongoing, but with regard to leveraging, the approach is getting the maximum amount of work done with multiple funding sources. The situation is very fluid. Mr. Moulton asked if in-kind services are allowed. Roger Thompson, FHWA, explained in-kind services are allowed, but must be related to the project.

Tom Macaulay noted projects in the stimulus package must be “shovel ready” so perhaps infrastructure improvements in the right-of-way should be referred to as maintenance repair to bypass state permitting (this would save time and money). Also, there should be design/build contracts with consultants. Paul Craven commented state and federal agencies have been responsive, but new land and work out of the right-of-way is a different situation. Carl Fowler interjected the rail line is not new. The work is maintenance of an existing rail line so a massive EIS should not be necessary. Matt Levin, VCE, spoke in support of communication about a project from the start so everyone is informed. This saves time and builds trust.

Dave Wulfson reported on an opportunity for economic development involving the Washington County Railroad which runs from Montpelier Junction to Graniteville. A

company is interested in taking waste blocks of granite already mined out of the ground by the Rock of Ages and distributing the crushed rock by rail to customers in the south. Existing track would be rebuilt and new track added to access the blocks. It may be possible to apply stimulus funds to the project. Charlie Hunter added it may be possible to use money from the stimulus package for staging track on the NECR line so there is a place to exchange trains. There was discussion of the status of the Bombardier facility. The building is occupied by a wind turbine company. Sidings, switches, rail in the floor, and an overhead crane are there. There was further discussion of the rock crushing and transportation proposal. Mr. Wulfson stated the project life is 20 years. The granite is what is specifically wanted by the company. There is a cost savings because the stone is already out of the ground. The company will only transport the stone by rail and will go to other sites outside of Vermont for the stone if Vermont turns down the project. Mr. Wulfson stated if stimulus money is not received (in time or at all), the state may need to redirect state funds toward the project. Paul Craven suggested the state advance right-of-way and regulatory work on the project.

4. Rail Council Charge and Expectations

A copy of the Executive Order for the Vermont Rail Council was distributed to attendees. There was discussion of having a Rail Council meeting in February, emphasizing support for rail to the 2009 legislature, and the economic development opportunity for the Washington County Railroad presented by the proposed granite shipping project. Dave Allaire spoke in support of a meeting in February to receive more information on the project and to have a unanimous vote of support which can be forwarded to key agencies and legislators.

MOTION by Chris Martel, SECOND by Carl Fowler, to have a Rail Council meeting on February 4, 2009 with the agenda including the following:

- **Discussion of the Washington County project**
- **Update on the stimulus package**
- **Discussion of the talking points paper on performance enhancements submitted by Carl Fowler on 1/9/09**

VOTING: unanimous; motion carried.

Mike Coates commented the Rail Council has several issues, including Amtrak service on the western corridor, Vermonter service, and 286,000 pound capacity track as a standard. The concern about the attitude of the Agency of Transportation with regard to rail remains as well. Robert Ide acknowledged the Rail Section seems to be the “bastard child” of the Agency of Transportation. The culture exists of a “highway department with a couple of other transportation issues”. Mr. Ide said he wants to make the Rail Section the entity where people want to come and work, the section that takes on projects and gets them done and gets the respect that is deserved. There are some situations that need to be corrected, conceded Mr. Ide, and this will be done. The section needs to work hard to rebuild confidence.

Dave Wulfson observed there have been improvements, but the day after the last Rail Council meeting was the announcement of discontinuing the Ethan Allen Express

service. Mr. Wulfson questioned why he takes the time to serve on the Rail Council. Mr. Ide shared the blindsided nature of the announcement about Amtrak. Rep. Audette expressed frustration about the lack of input from legislators regarding cuts in service and yet the legislators have to deal with the consequences. Mr. Audette spoke positively about improvements in the Rail Section with Mr. Ide on board. Mr. Ide stressed his focus is on solutions, not the 'blame game'. Carl Fowler commented the Agency of Transportation should have given Mr. Ide the opportunity to seek input from the rail advisory committee (i.e. Rail Council). Mr. Fowler also commented that if there is support of track repair then the potential of extension of rail passenger service into Montreal could be put in the minds of legislators and the citizenry. Robert Ide stated with regard to the Ethan Allen Express service, communities without service and those who wanted service were heard. There are budget constraints to deal with, and if bus service is being considered, that is a change of policy. Building ridership (more communities being served) and providing timely service is the groundwork for a quality product. A gentleman in the audience noted a Premier Coach can carry 55 passengers while the Ethan Allen Express train can carry 286 passengers in one trip. There was question of the cost effectiveness of replacing the train with five buses. Also, ridership on the train is increasing and this trend appears to be continuing. Buses appear to restrict the ability to grow ridership. Mr. Ide replied there would be advance sale of tickets so additional buses would be ready if needed. Chris Andreasson calculated with the revenue from passengers on Amtrak the cost of two full buses and beyond will be covered. The issue is knowing when to have equipment available. Jeff Munger observed it would be a shame to throw away all the work for rail done by the past and present Congressional delegations for Vermont. Nationally there is demand in transit for bus and train. If passenger rail service is stopped on the western corridor in the state the Vermont delegation will be angered. Mr. Andreasson interjected people are losing their jobs and homes. The government is faced with a drastic situation and must make some decisions. People cannot pay more taxes. Rick Moulton pointed out there is a large proportion of people who ride the train for the environmental aspect. Also, trains offer an alternative to airplanes. There are commuters who work out of state who use the train. VTrans is paying for the train station in Burlington and would use it as such if there were service from Rutland to Burlington. Chris Andreasson countered high quality bus service with modern technological capabilities is available. Carl Fowler expressed his concern for "bus-stitution" (if train service is eliminated, it is gone and will not be back). A coordinated transport network in the state is needed. Money is on the table. It is not necessary to end passenger rail service for bus service. Temporary bus service from Rutland to Burlington and in the southern part of the state is needed until the passenger train connection is made. There can be integrated service, stressed Mr. Fowler. Dave Allaire stated Rutland City and the entire state, especially southern Vermont, are impacted by the loss of the Ethan Allen Express service. If the service is discontinued it will not return. The issue of passenger rail service on the western corridor (ABRB) has been around for a long time. There is not an interstate or bypass around Rutland. Rutland is proud of the work by the Congressional delegation and the train station that was built. Train service is an economic development issue for Rutland. The Rutland Board of Aldermen unanimously stands against the loss of passenger rail service (Ethan Allen Express) and replacement with bus service.

MOTION by Carl Fowler, SECOND by Rick Moulton, that the Rail Council endorses the maintenance of existing Amtrak service in the State of Vermont, opposes discontinuance of the Ethan Allen Express service, and supports development of a performance improvement plan for existing trains to increase ridership and decrease expenses.

DISCUSSION: The lack of reference to bus service in the Ethan Allen Express timetable was noted. There were no further comments.

VOTING: nine ayes, one nay (Andreasson); motion carried.

There was mention of communications breakdown and information being forwarded to legislators.

5. Stimulus Package Update

Jeff Munger reported the stimulus package is a moving target. Presently there will be no earmarking of funds, but this may change once Congress receives the bill. The package is 100% federal funding. Existing formulas created under SAFETEA-LU will be applied. Vermont will receive one half percent of the total national amount of funds for highway. For example one billion dollars in highway funding yields five million dollars to Vermont for highway projects. Vermont will receive .08% of the national package of funds for transit (bus, stations, shelters, and such). For example one billion dollars of transit funding means Vermont receives \$800,000 for transit projects. The stimulus money is a “use it or lose it” proposition. There are 90 days for obligation and 180 days for ‘shovel in the ground’. The idea is to have projects that put people to work, not using the money to buy spare parts. Ted Brady added Vermont is anticipated to receive one third of a third of the entire package to be used for tax cuts/incentives (one third), entitlements (one third), and infrastructure such as water, waste water, schools, colleges, transportation (one third). It is expected to see projects related to broadband, up-fit of federal buildings, and transportation. Extension of the no match with state funds to include SAFETY-LU projects is being worked. It is not known where the money will come from for high speed rail, and rail funding within transportation funding is being closely watched. It will not be known if there is discretion to funnel SAFETY-LU money toward rail projects until the stimulus bill is done, stated Mr. Munger, adding the stimulus package is first and foremost to put people back to work. The Vermont Congressional delegation is fighting for what should be in the stimulus package to help Vermont. It is not known when the stimulus package will be in effect, but it will be sooner than later. Job loss is ever growing. Vermont needs to be ready to utilize the stimulus money when it arrives. Ted Brady stated requests for revenue sharing and block grants will be a small portion of the package. The goal is to put people to work, not bail out states. Mr. Munger said there will be help with Medicaid and unemployment insurance. Carl Fowler commented Amtrak should be included since state routes feed the national network.

Mary Anne Michaels asked if there will be requirements the money be used to employ in-state workers. Mr. Munger did not know. Ted Brady said it will be up to the state to direct work to residents.

Rep. Audette commented the transportation committee met with the Secretary of Transportation and was told projects are not ready to go. This is very frustrating. Jeff Munger urged having a coordinated effort between the legislature and administration so time is not wasted. There is a list of \$250 million in projects ready to go through VLCT and CCMPO and the state (\$158 million of which \$13 million is for parts and \$23 million is for the DMU equipment). Mike Coates interjected there are rail projects ready to go (rail bridges, continuous welded rail installation).

6. Other Business

Newsletter from Knowledge Corridor Planning Exercise

Information was provided to the Rail Council.

7. Next Meeting/Agenda Items

Next Meeting: February 4, 2009, National Life Building, Montpelier, 1 p.m. – 4 p.m.

Agenda Items:

- Discussion of Washington County Project
- Update on Stimulus Package
- Discussion of Talking Points Paper on Performance Enhancements (submitted by Carl Fowler on 1/9/09)

Agenda Items Previously Scheduled for the February 4th Meeting:

- Report from Brad Worthen on the status of bus service from Burlington Airport to Montreal
- Further discussion of Amtrak/bus service from St. Albans to Montreal
- Update on the Knowledge Corridor
- Timeline for DMU operation

8. Adjournment

MOTION by Dave Allaire, SECOND by Mike Coates, to adjourn the meeting.

VOTING: unanimous; motion carried.

The meeting was adjourned at 12:30 p.m.

RScty: M.E.Riordan